November 17, 2014

MILESTONE SCIENTIFIC®

Milestone Scientific Announces Financial Results for the Third Quarter of 2014

International Sales Increase 63%

LIVINGSTON, NJ -- (Marketwired) -- 11/17/14 -- Milestone Scientific Inc.(OTCQB: MLSS), a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies, today announced financial results and provided a business update for the three and nine months ended September 30, 2014.

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "Receipt of CE Mark approval for our intra-articular and epidural instruments represents a significant step forward towards commercialization of our first medical instruments in Europe. Our subsidiary, Milestone Medical, is in the process of evaluating strategic partners to distribute both products in Europe. We are also making progress advancing our epidural and intra-articular instruments through the FDA regulatory process."

"We look forward to launching new medical applications for our computer-controlled injection technology in the coming years. Most recently, we announced the formation of a dermatological joint venture with our exclusive distributor across Asia, Milestone China, to develop a botox drug delivery instrument. We also announced our plans to raise capital, apply for grant funding and list shares of another JV, Milestone Ophthalmic, in Poland. Overall, we believe we have developed an effective strategy to incubate and commercialize a wide array of instruments through partnerships and licensing arrangements, while minimizing dilution to shareholders."

Mr. Osser continued, "Total revenue for the third quarter of 2014 increased to $2.5 million, which included a 63% increase in international sales. This was partially offset by a decline in domestic sales due to handpiece incentives in the first half of 2014 and lower distributor pricing on the STA instruments, which we believe will help drive long-term, recurring handpiece sales. We expect to resume domestic growth in the fourth quarter of 2014. Over the next few quarters we also plan to launch global business-to-business and consumer awareness campaigns, as well as establish direct relationships with dentists in order to better train them on the instruments, which has proven an effective strategy to increase handpiece utilization. Given our strong balance sheet, our growing sales in the dental market, and our pipeline of new instruments in the medical market, we are encouraged by the outlook for the business."

Revenue for the three months ended September 30, 2014 was $2.5 million versus $2.4 million for third quarter of 2013. Domestic instrument sales for the third quarter decreased by $72,481 or 28.9% versus the comparable period in 2013 due to lower distributor purchase prices for the STA instruments for a limited time period. The strategy is to facilitate the deployment of the STA instruments at a faster pace, thus generating recurring handpiece revenue. Domestic handpiece sales decreased temporarily by $402,216, or 32.2%, in the

third quarter of 2014 versus 2013 as a result of sales incentives in the first half of 2014. On the international front, instrument sales declined slightly by 2.0% or $4,784 in the third quarter of 2014 versus the same period in 2013. International handpiece sales increased by $565,405, or 83.3%. Gross profit for the third quarter of 2014 was $1.7 million, or 67.3% of revenue, as compared to gross profit of $1.8 million, or 72.3% of revenue for third quarter 2013. The decrease in gross margin reflected the lower pricing strategy on the instruments to drive handpiece sales. Operating loss for the third quarter of 2014 was ($162,206) versus operating income of $436,272 for the third quarter of 2013. The decrease in operating income was attributable to a $126,000 increase in international commission fees, due to higher international sales and significant expenses incurred to strengthen Milestone's position in the market place, such as marketing, training, consulting, and business development expenses. Net loss for the third quarter of 2014 was ($358,490) or $(0.02) per share, versus net income of $218,523 or $0.01 per share for the comparable period in 2013. The decrease in net income is primarily the result of an operating loss of ($162,206), an increase in loss for the Medical Joint Venture of $11,635, and the negative impact of the reversal of the bad debt reserve for uncollectable accounts in 2013.

Revenue for the nine months ended September 30, 2014 was $7.7 million versus $7.2 million for the nine months ended September 30, 2013. In the domestic market, total revenue was $3.4 million compared to $3.9 million for the same period in 2013, due in part to the lower distributor purchase prices. On the international front, total revenue increased by $924,281 to $4.2 million for the nine months ended September 30, 2014 compared to $3.3 million for the same period in 2013. Gross profit for the nine months ended September 30, 2014 was $5.0 million or 65.7% of revenue versus $5.0 million or 69.0% of revenue for the same period in 2013. Operating income for the nine months ended September 30, 2014 was $214,548 versus an income of $755,145 for the nine months ended September 30, 2013. Net loss for the nine months ended September 30, 2014 was ($333,113) or ($0.02) per share versus net income of $443,277 or $0.03 per share, for the comparable period in 2013. Net income for the nine months in 2014 includes a Loss on Earnings from Medical Joint Venture of ($567,550) compared to ($259,291) for the same period in 2013.

Conference Call

Milestone's executive management team will host a teleconference on Monday, November 17, 2014 at 4:30 P.M. Eastern Time to discuss the company's financial results.

The conference call will be available via telephone by dialing toll free 1-888-364-3109 and entering the pass code 8821803 or on the company's website at www.milestonescientific.com. For those unable to participate at that time, a replay of the call will be archived on the company's website or can be accessed by dialing 1-888-203-1112 and entering the pass code 8821803. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a leading medical research and development company that designs and patents innovative injection technology. Milestone's computer-controlled systems make injections precise, efficient, and virtually painless. For more information please visit our website: www.milestonescientific.com.

Safe Harbor Statement

This press release contains forward-looking statements regarding the timing and financial impact of Milestone's ability to implement its business plan, expected revenues and future success. These statements involve a number of risks and uncertainties and are based on assumptions involving judgments with respect to future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond Milestone's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, failure to achieve expected revenue growth, changes in our operating expenses, adverse patent rulings, FDA or legal developments, competitive pressures, changes in customer and market requirements and standards, and the risk factors detailed from time to time in Milestone's periodic filings with the Securities and Exchange Commission, including without limitation, Milestone's Annual Report for the year ended December 31, 2013. The forward looking statements in this press release are based upon management's reasonable belief as of the date hereof. Milestone undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

(tables follow)

MILESTONE SCIENTIFIC INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Product sales	$ 2,535,098	$ 2,444,195	$ 7,662,864	$ 7,211,973
Cost of products sold	829,546	677,792	2,624,950	2,233,944
Gross profit	1,705,552	1,766,403	5,037,914	4,978,029
Selling, general and administrative expenses	1,838,388	1,317,433	4,749,112	4,045,465
Research and development expenses	29,370	12,698	74,255	177,419
Total operating expenses	1,867,758	1,330,131	4,823,366	4,222,884
(Loss) Income from operations	(162,206)	436,272	214,548	755,145
Other income (expenses)				
Other income	-	-	-	17,543
Interest income (expense)	755	(5,550)	916	(70,119)
Loss from Medical Joint Venture	(223,834)	(212,199)	(567,550)	(259,291)
Loss from Education Joint Venture	(2,633)	-	(10,455)	-
Gain from China Joint Venture	29,428	-	29,428	
Total other expenses, net	(196,284)	(217,749)	(547,661)	(311,868)
Net (loss) income applicable to common stockholders	$ (358,490)	$ 218,523	$ (333,113)	$ 443,277

Net (loss) income per share applicable to common stockholders -				
Basic	$ (0.02)	$ 0.01	$ (0.02)	$ 0.03
Diluted	$ (0.02)	$ 0.01	$ (0.02)	$ 0.03
Weighted average shares outstanding and to be issued -				
Basic	21,189,245	17,333,941	19,621,471	16,955,048
Diluted	21,189,245	17,716,964	19,621,471	17,322,388

MILESTONE SCIENTIFIC INC.
CONDENSED BALANCE SHEETS

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 781,497	$ 1,147,198
Treasury bills	9,499,865	-
Accounts receivable, net of allowance for doubtful accounts of $5,000 as of September 30, 2014 and $5,000 as of December 31, 2013	1,624,345	1,532,856
Inventories	2,241,466	1,321,652
Advances on contracts	1,092,528	727,478
Prepaid expenses and other current assets	370,933	150,451
Total current assets	15,610,634	4,879,635
Advances on contracts	218,875	1,580,874
Investment in Milestone Medical Inc	619,574	924,115
Investment in Milestone Education LLC	31,627	42,082
Investment in Milestone China	165,229	-
Furniture, Fixtures & Equipment net of accumulated depreciation of $459,918 as of September 30, 2014 and $476,884 as of December 31, 2013	77,994	23,988
Patents, net of accumulated amortization of $557,280 as of September 30, 2014 and $498,502 as of December 31, 2013	532,957	591,735
Other assets	12,917	12,917
Total assets	$ 17,269,807	$ 8,055,346
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,340,889	$ 2,020,368
Customer advances	49,441	-
Accrued expenses and other payables	610,327	515,133

Total current liabilities	2,000,657	2,535,501
Commitments and Contingencies		
Stockholders' Equity		
Series A Convertible Preferred Stock, par value $.001, authorized 5,000,000 shares, 7,000 and zero shares issued and outstanding, respectively	7	-
Common stock, par value $.001; authorized 50,000,000 shares; 21,251,533 shares issued875,322 shares to be issued and 21,218,200 shares outstanding as of September 30, 2014;17,759,540 shares issued, 1,839,930 shares to be issued, and 17,726,207 shares outstanding as of December 31, 2013	22,126	19,599
Additional paid-in capital	76,757,084	66,677,200
Accumulated deficit	(60,598,551)	(60,265,438)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total stockholders' equity	15,269,150	5,519,845
Total liabilities and stockholders' equity	$ 17,269,807	$ 8,055,346

Contact:
David Waldman or Natalya Rudman
Crescendo Communications, LLC
Email: mlss@crescendo-ir.com
Tel: 212-671-1020

Source: Milestone Scientific, Inc.